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C O N F I D E N T I A L SECTION 01 OF 03 VILNIUS 001292

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STATE FOR EUR/NB AND EUR/OHI

E.O. 12958: DECL: 10/18/2014 TAGS: <u>PGOV KNAR PHUM LH</u>

SUBJECT: LITHUANIAN POLITICAL LEADERS AFFIRM SUPPORT FOR

JEWISH PROPERTY RESTITUTION

REF: A. VILNIUS 1099

¶B. VILNIUS 1065 ¶C. VILNIUS 657

11. (C) SUMMARY: Meetings we facilitated between American Jewish Committee official Andrew Baker and key Lithuanian political leaders October 13-17 resulted in a reaffirmed commitment to restitute communal Jewish property. On the eve of round two of parliamentary elections, President Valdas Adamkus expressed optimism that the next government will complete restitution. PM Algirdas Brazauskas, who has long backed Lithuania's restitution efforts, reiterated his support. Viktor Uspaskich, leader of the ascendant Labor Party, pledged that his party would carry out the current government policy. The Conservative Party's Andrius Kubilius said he too supported property restitution in principle, but hoped to ensure that the process was equitable. Overall, the meetings advanced U.S. interests in achieving a just recompense for Lithuania's legacy of the Holocaust era. We are well positioned to pursue Jewish communal property restitution with Lithuania's next government, regardless of who leads it. END SUMMARY.

#### Background on Jewish Property Restitution

12. (U) The Lithuanian government has already restituted much of the private property seized during the Nazi and Soviet occupations, and has drafted an amendment to the country's 1995 restitution law to enable the return of former communal property. (Note: Lithuania's Jewish community did not distinguish between secular and religious holdings and "communal property," which included, among other things, synagogues, schools, and hospitals.) An international committee of Jewish organizations, in coordination with the Jewish Community of Lithuania, submitted a list of unrestituted former Jewish communal properties in February 12004. The list identified over 1000 properties, and archival research (nearly complete) indicates that about 200 properties will qualify for restitution under the envisioned amendment to the 1995 law. Prime Minister Algirdas Brazauskas has made clear his support for Jewish property restitution. Despite Jewish community urging that the Parliament immediately pass the authorizing legislation, the GOL has consistently held that the Jewish community must present a final list for restitution and allow the Government to research the property claims before it will move to amend the law (ref C).

# Government: End is in Sight

- 13. (C) Despite the internal political flux attendant to Lithuania's current parliamentary election process, we encouraged Baker to come forward with a visit to Lithuania in a coordinated effort to focus Lithuania's political leadership on moving the restitution process forward. Baker met with Prime Minister Algirdas Brazauskas, President Valdas Adamkus, Labor Party leader Viktor Uspaskich, and Conservative Party leader Andrius Kubilius.
- 14. (C) Prime Minister Brazauskas, who has been one of the strongest supporters for restituting communal Jewish property, assured Baker and the Ambassador October 15 of his continued support. While Brazauskas said he could not yet say who would head Lithuania's new government, he affirmed that there seemed to be support across the political spectrum for resolving the issue, provided that the Jewish community could come to final agreement on the properties that it believes merit restitution. Baker told Brazauskas that the Jewish community would be ready to submit its final, verified list to the government before the end of November, and expressed hope that the new Parliament would act swiftly to pass legislation authorizing restitution for those properties. Brazauskas welcomed this commitment, but expressed special interest in obtaining support from the international Jewish community for what he said would be the difficult process of combing through largely damaged and missing archives in verifying claims to the property. Brazauskas said he also personally supported forming a foundation comprised of international and local Jewish

representatives to manage restituted assets on behalf of the local Jewish community once restitution is finally made. He said the government would facilitate the rapid legal registration of such a foundation, and be ready almost immediately to grant it a substantial financial contribution to help begin its work.

# Adamkus: Optimistic for Future Success

15. (U) Baker, accompanied by the DCM, visited President Adamkus October 13. The President confirmed Baker's speculation that the government failed to deliver on its commitment to forward restitution legislation to Parliament out of fear that the issue would become a political football in the run-up to the parliamentary elections. At the same time, he said that the GOL's commitment to seek communal restitution "has not been retracted." While noting that he was in no position to provide a "100 percent guarantee" for the next government, he pronounced himself "very optimistic" that the new government would reaffirm the commitment. He explained that this confidence was based in large part on his expectation that PM Brazauskas would hold the same post in the next government.

# Uspaskich: Would Continue Current GOL Progress

16. (U) Baker and the DCM met October 14 with Viktor Uspaskich, the leader of the Labor Party, which took first place in the first round of Parliamentary elections. Baker opened by briefing Uspaskich on the issue's history, the rationale for focusing on communal restitution, the current state of play, and the relatively modest sums involved. Admitting that his understanding of the issue was "superficial," Uspaskich expressed support for the general principle of restituting private property to its original owners. He told Baker proudly about local municipality efforts in his adopted hometown of Kedainiai to restore and maintain two of the town's historical synagogues. On the specific matter of nationwide restitution of Jewish communal property, Uspaskich was positive, but kept his options open. Speaking carefully, he declared "support for continuity on this issue" and vowed that "you won't have problems with me or my party." At the same time, he said that he would want to scrutinize any legislation "for pros and cons" and said that any restitution "must be carried out correctly."

### Kubilius: Cautiously Supportive

17. (U) Meeting October 14 with Opposition Conservative Party leader Andrius Kubilius, Baker provided a brief history of the initiative to draft a legislative amendment authorizing Jewish communal property restitution. He told Kubilius that he anticipated the archival work on the list of properties to be complete around the end of November and expressed his hope that the Seimas would be able to move the legislation along. Kubilius said that he had not closely followed this issue, supported it in principle, but was uncomfortable with the idea that the law would favor one religious group over others. Speculating that groups like the Lithuanian Karaites (a religious minority of Turkic descent) might have analogous claims, he suggested it would be more practical for the amendment to reference restitution of communal religious properties, generally, rather than single out the Jews. Kubilius offered that a general reference might avoid an anti-Semitic backlash. Baker said that while other groups might have claims to property restitution, he suspected that their claims might differ from the Jewish community's, and he said would hate to see time lost to have to redraft the legislative text. We suggested that Kubilius might frame the legislative amendment and the Jewish communal property restitution program as a model for government action to address other communities' property claims.

18. (C) Kubilius mentioned that many properties identified for restitution might be in poor condition, and noted that on occasions in the past the Jewish community declined the return of dilapidated properties, which remained public liabilities. Baker told Kubilius about the foundation that, among other things, would raise funds internationally and take on responsibility for restoring or maintaining properties. (NOTE: Baker privately mentioned to us that Citibank had recently discovered a prewar bank account worth around \$50,000 that had belonged to the Lithuanian Jewish Community. Baker is working with Citibank officials to have these funds transferred to the foundation once it is created.) Baker agreed with Kubilius that restitution of destroyed properties would be highly problematic and remarked that a symbolic settlement might be appropriate recognition and settlement.

# Comment: A Homerun Visit

19. (C) The progress on Lithuanian property restitution has recently slowed, as Lithuanian leaders addressed their parliamentary futures and the Jewish community leaders dealt with internecine wrangling (ref B). Baker's well-timed and

productive meetings with the country's major political players secured commitments from all sides to proceed with the restitution of former Jewish communal property once the elections end and the work of the new Government begins. Brazauskas appears likely to remain on as PM, putting him in a good position to deliver on his commitments. Even the issues raised by Kubilius, which to others might appear obstructionist, reflect a genuine concern that the government act equitably and a recognition that public perception of biased treatment could backfire, derailing the restitution program. The Conservative Kubilius is a strong USG ally, and he will likely entertain creative solutions to successfully complete restitution. Following his meetings, Baker noted that he feels well-positioned to move forward with the next government of Lithuania, regardless of which parties actually form it. We agree that Lithuania is now heading for the homestretch in realizing communal property restitution. To that end, we will remain engaged with the GOL and Jewish Community on this issue, an important and long-term Embassy goal, to capitalize on this highly successful visit. Mull